

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Dennis E. Hecker

Case No. 09-50779
Chapter 7

Debtor.

CORNERSTONE BANK, CORNERSTONE HOLDING COMPANY, INC., AND
BLACKSTONE FINANCIAL, LLC'S STATEMENT OF ISSUES AND DESIGNATION OF
ITEMS FOR THE RECORD ON APPEAL

Pursuant to Federal Rules of Bankruptcy Procedure Rule 8006, Cornerstone Bank, Cornerstone Holding Company, Inc., and Blackstone Financial, LLC, hereinafter jointly and severally referred to as "Cornerstone", hereby submit the following statement of the issues to be presented in connection with Cornerstone's appeal from a final Order dated/entered on November 25, 2009, by the Honorable Robert J. Kressell, United States Bankruptcy Judge for the District of Minnesota, and Cornerstone hereby designates the following items of the official record to be included in the record on appeal:

STATEMENT OF THE ISSUES

1. Did the Bankruptcy Court error in approving the settlement with Brainerd Imports, LLC, Jacob Holdings of Baxter, LLC, and Toyota Motor Credit Corporation when the settlement agreement appears to circumvent Cornerstone's general intangibles security interest?
2. Did the Bankruptcy Court error in failing to grant Cornerstone Bank's request for an evidentiary hearing regarding when the settlement agreement appears to circumvent Cornerstone's general intangible security interest?

DESIGNATION OF PAPERS FOR THE DESIGNATED RECORD

Filing Date	Docket Entry	Title of Document
11/20/09	315	Notice of Motion and Motion for Approval of Settlement Agreement and Abandonment and For Expedited Hearing
11/24/09	317	Objection to Trustee's Motion for Approval of Settlement Agreement and Abandonment Regarding Brainerd Imports LLC and Jaco Holdings of Baxter LLC
11/25/09	Pending- On Order with Reporter	Transcript of Hearing on Trustee's Motion for Settlement with Brainerd Imports, LLC, Jacob Holdings of Baxter, LLC, and Toyota Motor Credit Corporation
11/25/09	320	Order Granting Motion to approve compromise Under Rule 9019
12/7/09	326	Notice of Appeal

Dated this 14th day of December, 2009.

/s/ Jane L. Dynes for
Brad A. Sinclair, of
SERKLAND LAW FIRM
10 Roberts Street
P.O. Box 6017
Fargo, ND 58108-6017
Telephone: (701) 232-8957
Fax: (701) 237-4049
North Dakota ID No. 04225
CORNERSTONE Bank, CORNERSTONE
Holding Company, Inc., and BLACKSTONE
Financial, LLC

AFFIDAVIT OF SERVICE BY MAIL

**In Re: Dennis E. Hecker, Debtor
Bankruptcy Case No. 09-50779
Chapter 7 Bankruptcy Case**

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF CASS)

Carmen D. Rohr, being duly sworn, deposes and says that she is a resident of the City of West Fargo, State of North Dakota, is of legal age; and that she served the within

Cornerstone Bank, Cornerstone Holding Company, Inc., and Blackstone Financial, LLC's Statement of Issues and Designation of Items for the Record on Appeal

On December 15, 2009 to be filed electronically with the Clerk of Court through ECF, and that ECF will send an e-notice of the electronic filing to the following:

Clinton E. Cutler
Fredrikson & Byron, P.A.
200 South 6th Street, Ste. 4000
Minneapolis, MN 55402
ccutler@fredlaw.com

Douglas W. Kassebaum
Fredrikson & Byron, P.A.
200 South 6th Street, Ste. 4000
Minneapolis, MN 55402
dkassebaum@fredlaw.com

U.S. Trustee
1015 US Courthouse
300 South 4th Street
Minneapolis, MN 55415
Ustpregion12.mn.ecf@usdoj.gov

Thomas J. Lallier
Foley & Mansfield, P.L.L.P.
250 Marquette Avenue, Ste. 1200
Minneapolis, MN 55401
tlallier@foleymansfield.com

Randall L. Seaver
12400 Portland Avenue So.
Suite 132
Burnsville, MN 55337
rseaver@fullerseaverramette.com

Monica Clark
Dorsey & Whitney LLP
50 South 6th Street, Ste. 1500
Minneapolis, MN 55402
Clark.monica@dorsey.com

Connie A. Lahn
Fafinski Mark & Johnson, P.A.
400 Flagship Corporate Center
775 Prairie Center Drive
Eden Prairie, MN 55344
Connie.Lahn@fmjlaw.com

David E. Runck
Fafinski Mark & Johnson, P.A.
400 Flagship Corporate Center
775 Prairie Center Drive
Eden Prairie, MN 55344
David.Runck@fmjlaw.com

Cynthia A. Moyer
Fredrikson & Byron, P.A.
200 South 6th Street, Ste. 4000
Minneapolis, MN 55402
cmoyer@fredlaw.com

Andrea M. Hauser
Leonard O'Brien Spencer Gale& Sayre
100 South 5th St., Ste. 2500
Minneapolis, MN 55402
ahauser@losgs.com

Gordon B. Conn
Kalina Wills Gisvold & Clark
6160 Summit Drive, Ste. 560
Minneapolis, MN 55430
conn@kwgc-law.com

Matthew R. Burton
Leonard O'Brien Spencer Gale& Sayre
100 South 5th St., Ste. 2500
Minneapolis, MN 55402
mburton@losgs.com

Ralph Mitchell
Lapp Libra Thomson Stoebner & Pusch
One Financial Plaza, Ste. 2500
120 S. 6th St.
Minneapolis, MN 55402
rmitchell@lapplibra.com

Andrew Paul Moratzka
Mackall Crounce & Moore
901 Marquette Ave.
1400 AT&T Tower
Minneapolis, MN 55402
apm@mcmllaw.com

Nauni Jo Manty
Manty & Associates, P.A.
510 First Avenue North
Suite 305
Minneapolis, MN 55403
ecf@mantylaw.com

Jamie R. Pierce
Hinshaw & Culbertson LLP
333 South 7th Street
Suite 2000
Minneapolis, MN 55402
jpierce@hinshawlaw.com

Matthew A. Swanson
Leonard, Street & Deinard
150 South 5th St., Ste. 2300
Minneapolis, MN 55402
Matthew.swanson@leonard.com

Michael Meyer
Ravich Meyer Kirkman
4545 IDS Center
80 South 8th Street
Minneapolis, MN 55402
mlmeyer@ravichmeyer.com

Jeffrey D. Klobucar
Foley & Mansfield, PLLP
250 Marquette Ave., Ste. 1200
Minneapolis, MN 55401
jklobucar@foleymansfield.com

Joseph W. Lawver
Messerli & Kramer, P.A.
1800 Fifth Street Towers
150 South 5th Street
Minneapolis, MN 55402
Jlawver@messerlikramer.com

Bruce H. Carlson
McNair, Larson & Carlson, Ltd.
51 Broadway, Ste. 600
Fargo, ND 58102
Bruce.carlson@mlcfargolaw.com

Robert G. Parish
Faegre & Benson, LLP
2200 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402
rparish@faegre.com

HSBC Bank Nevada, N.A.
Attn: Patti H. Bass
Bass & Associates, P.C.
3936 E. Ft. Lowell Rd., Ste. 200
Tucson, AZ 85712
ecf@bass-associates.com

Ramesh Singh
Recovery Management Systems Corp.
Financial Controller
25 SE 2nd Avenue, Ste. 1120
Miami, FL 33131-1605
claims@recoverycorp.com

Kendall L. Bader
Fredrikson & Byron, P.A.
200 South 6th Street, Ste. 4000
Minneapolis, MN 55402
kbader@fredlaw.com

Tayler D. Candee
Lapp Libra Thomson Stoebner & Pusch
2500 One Financial Plaza
120 South 6th Street
Minneapolis, MN 55402
tcandee@lapplibra.com

Eric J. Sherburne
Stein & Moore, P.A.
First National Bank Bldg.
332 Minnesota St., Ste. W-1650
St. Paul, MN 55101
esherburne@steinmoore.com

Seth Leventhal
Fafinski Mark & Johnson, PA
400 Flagship Corporate Center
775 Prairie Center Drive
Eden Prairie, MN 55344
Seth.leventhal@fmjlaw.com

David L. Johnson
McNair, Larson & Carlson, Ltd.
51 Broadway, #600
Fargo, ND 58102
David.johnson@mclfargolaw.com

Kathleen K. Statler
Greene Espel PLLP
200 South 6th Street, #1200
Minneapolis, MN 55402
kstatler@greenespel.com

Larry D. Espel
Greene Espel PLLP
200 South 6th Street, #1200
Minneapolis, MN 55402
lespel@greenespel.com

Rebecca G. Sluss
Oppenheimer Wolff & Donnelly
Plaza VII, Suite 3300
45 south 7th Street
Minneapolis, MN 55402
rsluss@oppenheimer.com

William R. Skolnick
Skolnick @ Shiff, P.A.
2100 Rand Tower
527 Marquette Avenue So.
Minneapolis, MN 55402
wskolnick@skolnick-shiff.com

Nicholas J. Vivian
Eckberg Lammers Briggs Wolff & Vierling
1809 Northwestern Avenue
Stillwater, MN 55082
nvivian@eckberglammers.com

Timothy J. Peters
Peters Law Firm PLC
2116 Second Avenue So.
Minneapolis, MN 55404
Tpeters@peterslawplc.com

Joshua A. Hasko
Messerli & Kramer, P.A.
1400 Fifth Street Towers
100 South 5th Street
Minneapolis, MN 55402
jhasko@messerlikramer.com

Steven R. Qualley
Gammello & Qualley, P.A.
14275 Golf Course Drive, #200
Baxter, MN 56425
steveq@gqlaw.net

Aaron R. Hartman
Anthony Ostlund Baer & Louwagie, PA
3600 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402
ahartman@aoblaw.com

Stephen F. Grinnell
Gray, Plant, Mooty, Mooty & Bennett, P.A.
500 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-3796
stephen.grinnell@gpmlaw.com

I further certify that I caused a copy of the foregoing documents to be mailed by first class mail, postage paid, to the following non-ECF participants:

Dennis E. Hecker
P.O. Box 1017
Crosslake, MN 56442

Bayport Marina Association, Inc.
Attn: President, Managing Agent or other Officer
200 Fifth Avenue South
Bayport, MN 55003

Linda M. Berreau, CPA, CMA, CFE
16418 Gladys Lane
Minnetonka, MN 55345

Michael B. Lubic
Sonnenschein Nath & Rosenthal, LLP
601 S. Figueroa St., Ste. 2500
Los Angeles, CA 90017-5704

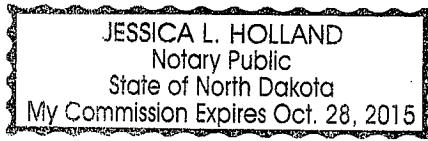
and depositing the same with postage prepaid in the United States mail at Fargo, North Dakota.

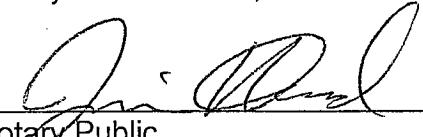
To the best of affiant's knowledge, the address above given is the actual post office address of the party intended to be so served. The above document was mailed in accordance with the provisions of the Minnesota Rules of Civil Procedure.

Carmen D. Rohr
Carmen D. Rohr

Subscribed and sworn to before me this 15th day of December, 2009.

(SEAL)




Notary Public
Cass County, North Dakota
My Commission Expires: